

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

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Month Ended February 28, 2003

	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

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Month Ended February 28, 2003

	GEC Management Corporation	Grace Offshore Company	Coalgrace Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracescoal II, Inc.	Gracesoil, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities**Combining Statement of Operations****MOR - 2****Month Ended February 28, 2003**

	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,030,524
Net sales to non-filing entities	-	-	-	-	-	9,182,244
Net sales to filing entities	-	-	-	(18,483)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	4,830,832
Interest and royalties from filing entities, net	-	-	-	(552,295)	-	-
Other income	-	-	-	-	-	2,895,372
	-	-	-	(570,778)	-	76,938,971
Cost of goods sold to third parties	-	-	-	-	-	43,320,839
Cost of goods sold to non-filing entities	-	-	-	-	-	6,493,264
Cost of goods sold to filing entities	-	-	-	(49,245)	-	-
Selling, general and administrative expenses	-	-	-	-	-	22,908,929
Research and development expenses	-	-	-	-	-	3,211,588
Depreciation and amortization	-	-	-	-	-	5,244,196
Interest expense	-	-	-	-	-	1,395,882
	-	-	-	(49,245)	-	82,574,699
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	(521,533)	-	(5,835,728)
Chapter 11 reorganization expenses, net	-	-	-	-	-	(1,160,918)
(Provision for) benefit from income taxes	-	-	-	-	-	1,059,360
Minority interest in income of subsidiary	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	1,975,341	1,975,341
Net income	\$ -	\$ -	\$ -	\$ (521,533)	\$ 1,975,341	\$ (3,761,945)

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 35,060,773	\$ -	\$ (190,854)	\$ -	\$ -	\$ -
Notes and accounts receivable, net	108,158,032	-	23,965	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	289,386,418	(389,032,872)	(553,141)	12,971,464	(27,828,792)	(9,641,198)
Inventories	75,914,811	-	-	-	-	-
Deferred income taxes	26,158,289	-	1,953,785	-	-	-
Asbestos-related insurance expected to be realized within one year	(2,408)	-	-	-	-	-
Other current assets	53,800,065	-	-	-	-	-
Total Current Assets	568,475,981	(389,032,872)	1,233,754	12,971,464	(27,828,792)	(9,641,198)
Properties and equipment, net	384,804,516	-	480,835	-	-	-
Goodwill, net	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	89,653,835	-	-	-	-	-
Deferred income taxes	806,298,653	-	44,101,884	-	-	-
Asbestos-related insurance expected to be realized after one year	282,629,577	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,097,295,308)	813,173,707	124,976,370	4,591,453	199,911,023	-
Investment in filing and non-filing entities	800,397,133	241,512,111	-	-	-	-
Other assets	75,819,192	-	-	-	-	-
Total Assets	\$ 1,925,282,669	\$ 665,652,946	\$ 170,792,843	\$ 17,562,917	\$ 172,082,231	\$ (9,641,198)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	44,006,467	-	7,581	-	-	-
Income taxes payable	(0)	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	0	-	-	-	-	-
Other current liabilities	68,395,829	-	22,465	-	-	19,469
Total Current Liabilities	112,402,095	-	30,046	-	-	19,469
Long-term debt - DIP facility	(438,134)	-	-	-	-	-
Deferred income taxes	224,139,730	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	(0)	-	-	-	-	-
Other liabilities	227,478,803	0	0	-	0	-
Total Liabilities Not Subject to Compromise	563,562,494	0	30,047	-	0	19,469
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	540,765,342	-	-	-	-	-
Accounts payable	31,275,640	-	665,607	-	-	-
Income taxes payable	151,531,083	36,213,991	1,823,182	72,232	10,347,534	(247,411)
Asbestos-related liability	971,859,596	-	-	-	-	-
Other liabilities	395,909,316	188,091	131,587,625	-	32,239,894	-
Total Liabilities Subject to Compromise	2,091,340,977	36,402,082	134,076,414	72,232	42,587,428	(247,411)
Total Liabilities	2,654,923,471	36,402,082	134,106,460	72,232	42,587,428	(227,942)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,798	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,598,673	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(614,112,217)	335,973,401	26,949,711	(16,562,782)	73,483,226	(9,414,256)
Treasury stock, at cost	-	(136,091,108)	-	-	-	-
Accumulated other comprehensive loss	(342,307,422)	100	-	-	-	-
Total Shareholders' Equity (Deficit)	(729,640,802)	629,250,864	36,686,383	17,490,685	128,494,803	(9,413,256)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,925,282,669	\$ 665,652,946	\$ 170,792,843	\$ 17,562,917	\$ 172,082,231	\$ (9,641,198)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Ligatton Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alumina Land Corporation
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 3,727,262	\$ -
Notes and accounts receivable, net	-	79,832	-	-	2,668,061	-
Receivables from/(payables to) filing and non-filing entities, net	(365,073,826)	5,917,479	140,477,802	(91,533,763)	(1,012,289)	(5,215,561)
Inventories	-	(0)	-	-	140,313	-
Deferred income taxes	-	78,461	-	-	12,119	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(365,073,826)	6,075,772	140,477,802	(91,533,763)	5,535,466	(5,215,561)
Properties and equipment, net	-	-	-	-	811,645	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	440,309,353	(3,444,672)	-	32,600,628	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	208,358	1,196,448
Total Assets	\$ 75,235,528	\$ 2,723,261	\$ 140,477,802	\$ (263,671)	\$ 6,555,469	\$ (4,019,113)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	21,461	-	23,688	269,233	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	349,873	-	-	209,840	-
Total Current Liabilities	-	371,334	-	23,688	479,073	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	146,497	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	371,334	-	23,688	625,570	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	23,686,314	(738,488)	(47,202)	(6,528,225)	952,424	(300)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	224,172	-	-	-	-
Total Liabilities Subject to Compromise	23,686,314	(514,316)	(47,202)	(6,528,225)	1,086,331	(300)
Total Liabilities	23,686,314	(142,981)	(47,202)	(6,504,537)	1,711,901	(300)
Shareholders' Equity (Deficit)						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	45,067,489	-	274,608
(Accumulated deficit)/Retained earnings	80,815,511	(429,081)	115,166,011	(36,305,732)	4,842,568	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,294,323	-	(2,521,891)	-	-
Total Shareholders' Equity (Deficit)	51,548,214	2,866,242	140,525,004	6,240,866	4,843,568	(4,018,813)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 75,235,528	\$ 2,723,261	\$ 140,477,802	\$ (263,671)	\$ 6,555,469	\$ (4,019,113)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Alewite Boston Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(10,752)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(2,143,580)	-	(57,817,172)	(110)	(330)	(10,752)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	58,011,577
Other assets	-	-	-	-	-	-
Total Assets	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 58,000,825
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(3,912)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(210)	-	-	(110)	(330)	(3,912)
Total Liabilities	(210)	-	-	(110)	(330)	(3,912)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	831,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,504,737
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	58,004,737
Total Liabilities and Shareholders' Equity (Deficit)	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 58,000,825

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Kootenai Development Company	CS Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 29,162	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(16,214)	(26,718,452)	57,347,191	(7,288,816)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	6,320	-	-	-	-	-
Total Current Assets	19,268	(26,718,452)	57,347,191	(7,288,816)	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,830,940	-	-	-	-	-
Total Assets	\$ 1,850,208	\$ (26,718,452)	\$ 57,347,191	\$ (7,288,816)	\$ -	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
Total Current Liabilities	551,649	5,000	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	551,649	5,000	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(6,176)	(104,625)	10,346,794	(5,220)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(6,176)	(104,625)	10,346,794	(5,220)	-	-
Total Liabilities	545,473	(99,625)	10,346,794	(5,220)	-	-
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(219)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
Total Shareholders' Equity (Deficit)	1,104,735	(26,618,827)	47,000,396	(7,283,596)	-	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,850,208	\$ (26,718,452)	\$ 57,347,191	\$ (7,288,816)	\$ -	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Quance-Carbo Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace-Tarpen Investors, Inc.	G-C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,464)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,464)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,464)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
Total Current Liabilities	-	-	-	3	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	3	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(200)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(110)	-	(110)	(560)	(560)	(200)
Total Liabilities	(110)	-	(110)	(557)	(560)	(200)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,284)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,464)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Harover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,924)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,924)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,924)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (45,742)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	(809)	(110)	(210)	(110)	(30)
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(809)	(110)	(210)	(110)	(30)
Total Liabilities	-	(809)	(110)	(210)	(110)	(30)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,924)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (45,742)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
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February 28, 2003

	W.R. Grace Land Corporation	G-C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,378	25,045	(73,061)	(12,559,393)	174,205	(19,457,276)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,378	25,045	(73,061)	(12,559,393)	174,205	(19,456,776)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,184	\$ 25,045	\$ (73,061)	\$ (12,559,393)	\$ 612,650	\$ (19,452,710)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	6,968
Total Current Liabilities	-	-	-	-	199	11,032
Long-term debt - DIP facility	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	438,333	11,032
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(758)	-	(110)	(140)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(758)	-	(110)	(140)	-	-
Total Liabilities	(758)	-	(110)	(140)	438,333	11,032
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	8,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	25,045	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	25,045	(72,951)	(12,559,253)	174,317	(19,463,742)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,184	\$ 25,045	\$ (73,061)	\$ (12,559,393)	\$ 612,650	\$ (19,452,710)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Creative Food N Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomaville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,269	6,345,376	810,290	(59,581,422)	(160)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,479,269	6,345,376	810,290	(59,581,422)	(160)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,479,269	\$ 6,345,376	\$ 810,290	\$ (59,581,422)	\$ (160)	\$ (86,721)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(879)	(285)	(310)	(190)	(160)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(879)	(285)	(310)	(190)	(160)	(110)
Total Liabilities	(879)	(285)	(310)	(190)	(160)	(110)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,831,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,479,269	\$ 6,345,376	\$ 810,290	\$ (59,581,422)	\$ (160)	\$ (86,721)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,812	(15,750,664)	5,296,889	875,359	(5,264)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,699	4,389,812	(15,750,664)	5,296,889	875,359	(5,264)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,788	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,889	\$ 875,359	\$ (5,264)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(310)	(310)	(210)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(119)	(110)	-	(310)	(310)	(210)
Total Liabilities	(119)	(110)	-	(310)	(310)	(210)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,980)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(8,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,788	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,889	\$ 875,359	\$ (5,264)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Coastal II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libys Incorporated	Adal Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,130	130,478,108	145,501,708	(81,115,073)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,130	130,478,108	145,501,708	(81,115,073)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,130	\$ 130,478,108	\$ 145,501,708	\$ (81,115,073)	\$ 47,407,796	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	27,277,846	27,277,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	27,277,846	27,277,846	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(310)	2,012,190	2,012,290	(440)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(310)	2,012,190	2,012,290	(440)	(110)	-
Total Liabilities	(310)	29,290,036	29,290,136	(440)	(110)	-
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,130	\$ 130,478,108	\$ 145,501,708	\$ (81,115,073)	\$ 47,407,796	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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February 28, 2003

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(7,438,170)
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-
Other current assets	-	-	-	-	-
Total Current Assets	-	-	-	-	(7,438,170)
Properties and equipment, net	-	-	-	-	-
Goodwill, net	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(278,841,919)
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	(1,315,702,717)	46,481,021	-
Investment in filing and non-filing entities	-	-	(1,101,282)	-	-
Other assets	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ (1,316,803,999)	\$ 46,481,021	\$ (286,278,089)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	5,000,000
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	(18,138,170)
Other current liabilities	-	-	-	-	(13,138,170)
Total Current Liabilities	-	-	-	-	(13,138,170)
Long-term debt - DIP facility	-	-	-	-	-
Deferred income taxes	-	-	-	-	(278,841,919)
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	(291,978,089)
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
Total Liabilities Subject to Compromise	-	-	(100,000)	-	-
Total Liabilities	-	-	(100,000)	-	(291,978,089)
Shareholders' Equity (Deficit)					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,980)	-	-
Paid in capital	-	-	(1,192,770,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(37,440,039)	100,581,440	-
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	(54,100,419)	5,700,000
Total Shareholders' Equity (Deficit)	-	-	(1,316,703,999)	46,481,021	5,700,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,316,803,999)	\$ 46,481,021	\$ (286,278,089)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Balance Sheet MOR - 3 February 28, 2003	
	COMBINED FILING ENTITIES
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 38,627,842
Notes and accounts receivable, net	110,929,891
Receivables from/(payables to) filing and non-filing entities, net	41,830,863
Inventories	76,055,123
Deferred income taxes	20,766,484
Asbestos-related insurance expected to be realized within one year	(2,408)
Other current assets	53,806,385
Total Current Assets	342,014,180
Properties and equipment, net	387,720,313
Goodwill, net	14,499,080
Cash value of company owned life insurance, net of policy loans	89,653,835
Deferred income taxes	571,596,778
Asbestos-related insurance expected to be realized after one year	282,629,577
Loans receivable from/(payable to) filing and non-filing entities, net	464,783,706
Investment in filing and non-filing entities	224,073,093
Other assets	77,811,722
Total Assets	\$ 2,454,782,293
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Liabilities Not Subject to Compromise	
Current Liabilities	
Short-term debt	\$ 0
Accounts payable	44,332,496
Income taxes payable	5,000,000
Asbestos-related liability expected to be disbursed within one year	0
Other current liabilities	51,424,922
Total Current Liabilities	100,757,418
Long-term debt - DIP facility	0
Deferred income taxes	-
Asbestos-related liability expected to be disbursed after one year	(0)
Other liabilities	227,478,803
Total Liabilities Not Subject to Compromise	328,236,221
Liabilities Subject to Compromise	
Debt, pre-petition plus accrued interest	540,765,342
Accounts payable	32,075,155
Income taxes payable	231,308,155
Asbestos-related liability	971,859,596
Other liabilities	560,049,098
Total Liabilities Subject to Compromise	2,336,057,346
Total Liabilities	2,664,293,567
Shareholders' Equity (Deficit)	
Preferred Stock	112
Common Stock	772,474
Paid in capital	432,214,490
(Accumulated deficit)/Retained earnings	(116,372,720)
Treasury stock, at cost	(136,091,108)
Accumulated other comprehensive loss	(390,034,522)
Total Shareholders' Equity (Deficit)	(209,511,274)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,454,782,293

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn
Status of Postpetition Taxes
MOR-4
February 2003

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ (41)	\$ 2,682,963	\$ (2,682,963)	\$ (41)
FICA - Employee	9,105	1,416,243	(1,416,083)	9,265
FICA and payroll- Employer	313,686	1,416,542	(1,137,116)	593,112
Unemployment	-	207,228	(207,228)	-
Other	-	-	-	-
Total Federal Taxes	\$ 322,750	\$ 5,722,976	\$ (5,443,390)	\$ 602,336
State and Local				
Withholding	\$ 729	\$ 1,089,989	\$ (1,089,275)	\$ 1,443
Sales & Use	1,489,315	313,214	16,679	1,819,208
Property Taxes	1,422,321	369,961	(295,777)	1,496,505
Other	-	-	-	-
Total State and Local	\$ 2,912,365	\$ 1,773,164	\$ (1,368,373)	\$ 3,317,156
Total Taxes	\$ 3,235,115	\$ 7,496,140	\$ (6,811,763)	\$ 3,919,492

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc.
Status of Postpetition Taxes
MOR-4
February 2003

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 12,714	\$ (12,714)	\$ -
FICA - Employee	-	6,020	(6,020)	-
FICA and payroll- Employer	-	6,020	(6,020)	-
Unemployment	-	578	(578)	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 25,332	\$ (25,332)	\$ -
State and Local				
Withholding	\$ -	\$ 520	\$ (520)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 520	\$ (520)	\$ -
Total Taxes	\$ -	\$ 25,852	\$ (25,852)	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc.
Status of Postpetition Taxes

MOR-4
February 2003

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 4,187	\$ (4,187)	\$ -
FICA - Employee	-	1,228	(1,228)	-
FICA and payroll- Employer	-	1,228	(1,264)	(36)
Unemployment	-	(36)	36	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 6,607	\$ (6,643)	\$ (36)
State and Local				
Withholding	\$ -	\$ 795	\$ (795)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 795	\$ (795)	\$ -
Total Taxes	\$ -	\$ 7,402	\$ (7,438)	\$ (36)

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc.
Status of Postpetition Taxes
MOR-4
February 2003

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc.
Status of Postpetition Taxes

MOR-4
February 2003

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	42	972	(972)	42
FICA and payroll- Employer	288	972	(685)	575
Unemployment	-	648	(648)	-
Other	-	-	-	-
Total Federal Taxes	\$ 330	\$ 2,592	\$ (2,305)	\$ 617
State and Local				
Withholding	\$ -	\$ 1,676	\$ (1,676)	\$ -
Sales & Use	-	-	-	-
Property Taxes	243,011	4,064	-	247,075
Other	-	-	-	-
Total State and Local	\$ 243,011	\$ 5,740	\$ (1,676)	\$ 247,075
Total Taxes	\$ 243,341	\$ 8,332	\$ (3,981)	\$ 247,692

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn	
Accounts Receivable Reconciliation and Aging	
MOR-5	
February 2003	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ 102,965,278
Amounts billed during the period	59,496,179
Amounts collected during the period	(65,620,777)
Other	3,928,485
Trade accounts receivable at the end of month, gross	\$ 100,769,165
Trade Accounts Receivable Aging	
Current	\$ 74,536,133
1-30 days past due	19,566,032
31-60 days past due	3,933,582
+61 days past due	2,733,418
Trade accounts receivable, gross	100,769,165
Allowance for doubtful accounts	(920,212)
Trade accounts receivable, net	\$ 99,848,953
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ 99,848,953
Customer notes and drafts receivable	808,360
Pending customer credit notes	(136,329)
Advances and deposits	5,366,179
Nontrade receivables, net	2,270,869
Total notes and accounts receivable, net	\$ 108,158,032

Chart 6

Remedium Group, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
February 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	23,965
Total notes and accounts receivable, net	\$ 23,965

Chart 6

Darex Puerto Rico, Inc.	
Accounts Receivable Reconciliation and Aging	
MOR-5	
February 2003	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ 2,388,341
Amounts billed during the period	534,344
Amounts collected during the period	(198,636)
Other	(21,776)
Trade accounts receivable at the end of month, gross	\$ 2,702,273
Trade Accounts Receivable Aging	
Current	\$ 1,484,311
1-30 days past due	460,728
31-60 days past due	464,958
+61 days past due	292,276
Trade accounts receivable, gross	2,702,273
Allowance for doubtful accounts	(34,625)
Trade accounts receivable, net	\$ 2,667,648
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ 2,667,648
Customer notes and drafts receivable	-
Pending customer credit notes	(2,734)
Advances and deposits	-
Nontrade receivables, net	3,147
Total notes and accounts receivable, net	\$ 2,668,061

Chart 6

Grace Europe, Inc.

Accounts Receivable Reconciliation and Aging

MOR-5

February 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	79,832
Total notes and accounts receivable, net	\$ 79,832

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 February 2003		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities

Combined Statement of Operations

Amounts in millions	Month Ended February 28, 2003	Year to Date February 28, 2003	Cumulative Since Filing
Net sales to third parties	\$ 60.0	\$ 127.6	\$ 1,646.3
Net sales to non-filing entities	9.2	20.6	255.8
Interest and royalties from non-filing entities	4.8	7.1	86.2
Other income	2.9	5.3	26.0
	76.9	160.6	2,014.3
Cost of goods sold to third parties	43.4	88.2	1,030.8
Cost of goods sold to non-filing entities	6.5	14.6	184.1
Selling, general and administrative expenses	22.9	45.4	511.9
Research and development expenses	3.2	7.0	78.8
Depreciation and amortization	5.2	10.3	114.4
Interest expense	1.4	2.8	49.1
	82.6	168.3	1,969.1
Income (loss) before Chapter 11 reorganization expenses, income taxes and equity in net income of non-filing entities	(5.7)	(7.7)	45.2
Chapter 11 reorganization expenses, net	(1.2)	(1.6)	(44.4)
Provision for income taxes	1.1	0.7	(38.1)
Equity in net income of non-filing entities	2.0	7.9	122.6
Net Income (loss)	\$ (3.8)	\$ (0.7)	\$ 85.3

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 9

W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Functional Basis Statement of Cash Flows

Amounts in millions	Month Ended February 28, 2003	Year to Date February 28, 2003	Cumulative Since Filing
<u>Core operations cash flow</u>			
Pre-tax income (loss) from core operations	\$ (3.1)	\$ (2.8)	\$ 178.8
Depreciation and amortization	5.2	10.3	114.4
	2.1	7.5	293.2
Changes in all core assets/liabilities and other	2.4	(4.3)	35.4
Net increase in accounts receivable due to termination of the securitization program	-	-	(64.8)
	4.5	3.2	263.8
Capital expenditures	(4.9)	(8.5)	(102.5)
Core Pre-tax Operating Cash Flow	(0.4)	(5.3)	161.3
<u>Charges against core reserves</u>			
Pension liabilities	(0.3)	(0.7)	(8.6)
Deferred compensation	-	-	(3.1)
Self insurance	-	-	(2.0)
Total Spending Against Core Reserves	(0.3)	(0.7)	(13.7)
Core Cash Flow	(0.7)	(6.0)	147.6
<u>Noncore cash flow</u>			
Proceeds from asset sales	0.1	0.1	5.1
Benefit proceeds under life insurance policies	1.2	1.2	29.7
Other noncore pretax cash flow	(1.2)	(0.9)	(2.5)
Noncore Pre-tax Cash Flow	0.1	0.4	32.3
<u>Charges against noncore reserves</u>			
<u>Asbestos</u>			
Asbestos claims processing	(0.5)	(1.4)	(21.0)
Less - insurance recovery	-	-	57.9
Net asbestos (payments) receipts	(0.5)	(1.4)	36.9
Environmental remediation	(1.2)	(2.5)	(42.6)
Retained obligations and other	-	(0.1)	(9.7)
Postretirement benefits	(0.1)	(2.3)	(40.5)
Total Spending Against Noncore Reserves	(1.8)	(6.3)	(55.9)
Noncore Cash Flow	(1.7)	(5.9)	(23.6)
Total Pre-tax/Pre-Interest/Pre-Chapter 11 Cash Flow	(2.4)	(11.9)	124.0
Cash paid for taxes, net of refunds	0.2	1.0	(3.0)
Cash paid for interest	0.1	0.6	(1.3)
Chapter 11 reorganization expenses paid	(1.5)	(2.5)	(36.2)
Cash Flow before Strategic Investments	(3.6)	(12.8)	83.5
<u>Strategic Investments</u>			
Cash paid for businesses acquired	-	-	(4.0)
Repurchase of treasury stock	-	-	(0.6)
Cash used for Strategic Investments	-	-	(4.6)
Cash Flow after Strategic Investments	(3.6)	(12.8)	78.9
Borrowings (repayments) under DIP facility	(0.1)	(0.2)	(3.0)
Net (investing)/financing activities under life insurance policies	(5.2)	(5.2)	(45.9)
Net Cash Flow	\$ (8.9)	\$ (18.2)	\$ 30.0

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet			
Amounts in millions	February 28, 2003	December 31, 2002	April 2, 2001
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 38.6	\$ 56.8	\$ 8.6
Notes and accounts receivable, net	111.0	115.0	43.8
Receivables from non-filing entities, net	41.8	41.3	51.2
Inventories	76.0	70.5	80.6
Deferred income taxes	20.8	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	53.8	30.8	21.9
Total Current Assets	342.0	336.6	304.0
Properties and equipment, net	387.8	389.7	400.4
Goodwill, net	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	89.7	82.4	64.1
Deferred income taxes	571.6	567.0	401.0
Asbestos-related insurance expected to be realized after one year	282.6	282.6	323.4
Loans receivable from non-filing entities, net	464.8	444.4	387.5
Investment in non-filing entities	224.1	241.4	121.0
Other assets	77.8	82.9	308.5
Total Assets	\$ 2,454.9	\$ 2,441.5	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ -	-	-
Accounts payable	44.3	41.2	-
Income Taxes Payable	5.0	5.0	-
Other current liabilities	55.7	53.1	-
Total Current Liabilities	105.0	99.3	-
Debt payable after one year	-	-	-
Other liabilities	227.5	229.6	31.8
Total Liabilities Not Subject to Compromise	332.5	328.9	31.8
Liabilities Subject to Compromise			
Debt, pre-petition plus accrued interest	540.8	538.8	511.5
Accounts payable	32.1	32.4	43.0
Income taxes payable	231.3	231.1	210.1
Asbestos-related liability	971.9	973.2	1,002.8
Other liabilities	555.8	559.2	598.6
Total Liabilities Subject to Compromise	2,331.9	2,334.7	2,366.0
Total Liabilities	2,664.4	2,663.6	2,397.8
Shareholders' Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	432.2	433.0	432.6
Accumulated deficit	(116.4)	(115.7)	(201.8)
Treasury stock, at cost	(136.1)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(390.0)	(403.2)	(169.5)
Total Shareholders' Equity (Deficit)	(209.5)	(222.1)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,454.9	\$ 2,441.5	\$ 2,323.5

The Notes to Combined Financial Statements are an integral part of these statements.